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**Hearing Date: August 21, 2013 at 10:00 a.m.**  
**Objection Deadline: August 8, 2013 at 4:00 p.m.**

Attorneys for Ambac Assurance Corporation and  
the Segregated Account of Ambac Assurance Cor-  
poration

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
RESIDENTIAL CAPITAL, LLC, <i>et al.</i>	:	Case No. 12-12020 (MG)
	:	
Debtors.	:	Jointly Administered
	:	
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**RESERVATION OF RIGHTS OF AMBAC ASSURANCE CORPORATION AND THE SEGREGATED  
ACCOUNT OF AMBAC ASSURANCE CORPORATION WITH RESPECT TO DISCLOSURE  
STATEMENT FOR THE DEBTORS' JOINT CHAPTER 11 PLAN PROPOSED BY RESIDENTIAL  
CAPITAL, LLC, ET AL. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Ambac Assurance Corporation ("Ambac Assurance") and the Segregated Account  
of Ambac Assurance Corporation ("Segregated Account") and, collectively with Ambac Assur-  
ance, "Ambac") respectfully submit this statement and reservation of rights ("Statement") with  
respect to the *Disclosure Statement for the Debtors' Joint Chapter 11 Plan Proposed By Resi-  
dential Capital, LLC, et al. and the Official Committee of Unsecured Creditors* dated July 3,  
2013, Dkt. No. 4157 (as may be amended, modified or supplemented, "Disclosure Statement").

1. Ambac Assurance is a financial guaranty insurance company, a "mono-  
line," organized under the laws of the State of Wisconsin with its principal place of business at  
One State Street Plaza, New York, New York.

2. The Segregated Account is a segregated account that was established on March 24, 2010 pursuant to Wis. Stat. § 611.24, with the approval of the Office of the Commissioner of Insurance of the State of Wisconsin (“Commissioner”). Upon the Verified Petition of the Commissioner, the Circuit Court for Dane County, Wisconsin placed the Segregated Account into statutory rehabilitation under Wis. Stat. §§ 645.31 and 645.32 on March 24, 2010. Pursuant to Wis. Stat. § 611.24(3)(e), the Segregated Account is a separate Wisconsin insurer with the legal capacity and authority to sue in its own name and right.

3. The Debtors obtained insurance policies from Ambac Assurance in connection with a number of their securitization transactions. As a result, Ambac has a variety of rights and remedies against the Debtors under the applicable transaction documents. Ambac, like other monoline insurers, has asserted claims against the Debtors for, *inter alia*, fraud, breach of contract, indemnity, reimbursement and damages in connection with certain transactions, arising under the applicable transaction documents or applicable law.

4. Ambac remains engaged in discussions with the Debtors and the Creditors’ Committee in an effort to agree on the terms pursuant to which Ambac would lend its full support to confirmation of the plan contemplated by the Disclosure Statement. Ambac remains optimistic that such terms will be finalized in the near term.

5. Ambac reserves all rights with respect to the plan of reorganization described in the Disclosure Statement, including the right to object to the plan on any proper grounds at the appropriate time. Ambac also reserves the right to supplement this Statement and to appear and be heard at the hearing to consider approval of the Disclosure Statement.

Dated: New York, New York  
August 7, 2013

Respectfully submitted,

**PATTERSON BELKNAP WEBB & TYLER** LLP  
Attorneys for Ambac Assurance Corporation and  
the Segregated Account of Ambac Assurance  
Corporation

By: s/David W. Dykhouse

David W. Dykhouse

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